GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4040
ANSWERED ON:23.03.2001
MERGER OF BANK BRANCHES
KOLUR BASAVANAGOUD

Will the Minister of FINANCE be pleased to state:

(a) whether public sector banks have started the process of merging of bank branches following introduction of voluntary retirement scheme for employees; and

(b) if so, the bank-wise, number of branches likely to be merged in each State particularly in Karnataka?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) and (b) : As per the existing policy of Reserve Bank of India (RBI) on branch licencing, while closure of a single branch of a bank in a rural area is not allowed, they are permitted to convert the branch into satellite office which functions for 2/3 days in a week so as to provide banking facilities to the customers at that center. With regard to Semi-urban, Urban and Metropolitan centers, banks could take decision for closure of their branches. While taking such decisions, banks should ensure that the locality/ward is not rendered unbanked due to the closure. After the introduction of the voluntary retirement scheme for their employees, the banks` decisions for closure of the branches in Karnataka or elsewhere would be guided by the above policy.